
Amendments to the Claims

1. (Currently Amended) A method of supplying medium having an identifier for the collection of transactional amounts incurred in using privileged content, comprising the steps of:

selling the medium without the privileged content at a price which includes a pre-payment amount;

sending the pre-payment amount to a clearinghouse account referenced by said identifier.

2. (Original) The method of claim 1 wherein said medium is consumable.

3. (Original) The method of claim 1 further comprising the step of confirming that the medium has been sold before sending the pre-payment amount.

4. (Original) The method of claim 1 wherein said medium is a member of the class of consumable articles consisting of paper, vellum, film, mylar, audio tapes, video tapes, recordable compact discs, mini-discs, zip disks, floppy disks, batteries, ink-jet print cartridges, toner cartridges, or print ribbons.

5. (Currently Amended) A method of providing for the collection of royalty payments for privileged content, comprising the steps of:

providing an first identifier and a royalty amount to a clearinghouse to establish a first account referenced by said first identifier;

receiving a key which corresponds to said first identifier;

combining said key with the privileged content thereby creating a merchantable content; and

making the merchantable content available to at least one other person wherein when the merchantable content is used on a medium, the key and a second identifier identifying the medium are provided to the clearinghouse and wherein the clearinghouse using the key to identify the first account and the royalty amount transfers a quantity of money equal to the royalty amount from a second account referenced by said second identifier to said first account.

6. (Original) The method of claim 5 wherein the step of combining said key with the privileged content includes the step of encrypting said privilege content with said key to create said merchantable content.

5 7. (Currently Amended) A method of providing merchantable content having privileged content and a key to a user of the merchantable content, comprising the steps of:

providing a directory of merchantable content containing at least one merchantable content source to the user; and

10 allowing the user to download said at least one merchantable content source wherein said key represents a first identifier for an account for the owner of the privilege content such that use of the merchantable content on a medium causes a second identifier for an account for the medium to be transferred to a clearinghouse to allow a royalty payment to be transferred from the account for the medium to said account for the owner of the privilege content.

8. (Currently Amended) A method of providing a clearinghouse for the exchange of transactional amounts, comprising the steps of:

receiving a first identifier for a medium from a first party;

20 creating an first account for the first party referenced by said first identifier;

receiving a second identifier from a second party and a royalty amount representing the cost of using a privileged content;

creating a second account for said second party referenced by said second identifier;

25 providing a key to said second party;

receiving a transaction including the key and said first identifier when the medium is used with the privileged content;

using said key to identify said second account; and

transferring the royalty amount from said first account to said second

30 account[[:]].

9. (Currently Amended) A method of using a merchantable content, comprising the steps of:

receiving the merchantable content;

retrieving a first identifier from a medium that references the medium;

5 using said merchantable content with said medium wherein the payment of a royalty amount is incurred by the use of the merchantable content;

retrieving a key from said merchantable content; and

transmitting said key and said first identifier to a clearinghouse wherein the royalty amount is transferred from a first account referenced by said first identifier
10 to a second account referenced by said key[[:]].

10. (Original) The method of claim 9 further comprising the steps of:

determining that a valid first identifier is received; and

if not received, then preventing the step of using said merchantable
15 content.

11. (Original) A method of using merchantable content having a key, comprising the steps of:

purchasing medium having a first identifier, wherein the purchase price
20 includes a pre-payment amount;

retrieving the merchantable content;

using the merchantable content with the medium wherein a royalty payment is incurred, and wherein the use of the merchantable content causes the transmission of the key and the first identifier to a clearinghouse where the royalty
25 payment is transferred from a first account referenced by the first identifier to a second account reference by the key.

12. (Original) A system for the transaction of transactional amounts, comprising:
an apparatus for using a merchantable content with a medium, said
apparatus including,

a medium handler capable of accepting the medium,

a merchantable content receiver capable of accepting the
merchantable content,

a medium identifier coupled to said medium handler capable of
reading a first identifier from the medium,

a content identifier coupled to said merchantable content receiver
capable of reading a second identifier from the merchantable content,

a medium use mechanism capable of using the merchantable
content with the medium, and

a transmitter coupled to said medium identifier and said content
identifier capable of transmitting sending first and second identifiers; and
a clearinghouse coupled to said transmitter, said clearinghouse including,

a first account for a medium provider,

a second account for a content provider, and

an account manager capable of transferring a royalty amount from
said first account to said second account.

13. (Original) The system of claim 12 wherein said transmitter includes circuitry
capable of using the Internet.

14. (Original) The system of claim 12 wherein said transmitter includes circuitry
using a wireless communication link.

15. (Original) The system of claim 12 wherein said apparatus further includes:
a verifier circuit coupled to said medium identifier, said verifier capable of
detecting that said first identifier is received; and
a disabler circuit coupled to said verifier circuit and said medium use
mechanism wherein if said first identifier is not received said disabler circuit is
capable of preventing said medium use mechanism from operating.

16. (Original) The system of claim 12, wherein said medium use mechanism includes a decryption circuit coupled to said merchantable content receiver and said merchantable identifier capable of decrypting the merchantable content with said second identifier before using the merchantable content with the medium.

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17. (Original) An apparatus for automatic payment of royalties incurred when using a merchantable content with a medium, comprising:

a medium handler capable of accepting the medium;

a merchantable content receiver capable of accepting the merchantable

10 content;

a medium identifier coupled to said medium handler capable of reading a first identifier from the medium;

a content identifier coupled to said merchantable content receiver capable of reading a second identifier from the merchantable content;

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a medium use mechanism capable of using the merchantable content with the medium; and

a transmitter coupled to said medium identifier and said content identifier capable of transmitting sending first and second identifiers to a clearinghouse wherein a royalty amount for using said merchantable content is transferred from a first account referenced by said first identifier to a second account referenced by said second identifier.

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18. (Original) The apparatus of claim 17, further comprising:

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a verifier circuit coupled to said medium identifier, said verifier capable of detecting that said first identifier is received; and

a disabler circuit coupled to said verifier circuit and said medium use mechanism wherein if said first identifier is not received said disabler circuit is capable of preventing said medium use mechanism from operating.

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19. (Original) The apparatus of claim 17, wherein said medium use mechanism includes a decryption circuit coupled to said merchantable content receiver and said merchantable identifier capable of decrypting the merchantable content with said second identifier before using the merchantable content with the medium.

20. (Original) The apparatus of claim 17 wherein said apparatus is a device from the group consisting of computers, printers, plotters, video cassette recorders, cassette players, MP3 players, compact disk players, floppy drives, zip drives, and fax machines.

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21. (New) A method of supplying medium having an identifier for the collection of transactional amounts incurred in using privileged content, comprising the steps of:

- 10 selling the medium without the privileged content at a price which includes a pre-payment amount;
- sending the pre-payment amount over a network to a clearinghouse account referenced by said identifier.

22. (New) The method of claim 21 wherein said medium is consumable.

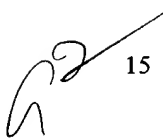
23. (New) The method of claim 21 further comprising the step of confirming that the medium has been sold before sending the pre-payment amount.

24. (New) The method of claim 21 wherein said medium is a member of the class of consumable articles consisting of paper, vellum, film, mylar, audio tapes, video tapes, recordable compact discs, mini-discs, zip disks, floppy disks, batteries, ink-jet print cartridges, toner cartridges, or print ribbons.

25. (New) A method of providing for the collection of royalty payments for privileged content, comprising the steps of:

providing an first identifier and a royalty amount over a network to a clearinghouse to establish a first account referenced by said first identifier;
5 receiving a key over the network which corresponds to said first identifier;
combining said key with the privileged content thereby creating a merchantable content; and

making the merchantable content available to at least one other person wherein when the merchantable content is used on a medium, the key and a
10 second identifier identifying the medium are provided to the clearinghouse over the network and wherein the clearinghouse using the key to identify the first account and the royalty amount transfers a quantity of money equal to the royalty amount from a second account referenced by said second identifier to said first account.



15 26. (New) A program product for providing a clearinghouse for the exchange of transactional amounts, the program product comprising machine readable program code for executing the steps of:

receiving a first identifier for a medium from a first party;
20 creating an first account for the first party referenced by said first identifier;
receiving a second identifier from a second party and a royalty amount representing the cost of using a privileged content;
creating a second account for said second party referenced by said second identifier;

25 providing a key to said second party;
receiving a transaction including the key and said first identifier when the medium is used with the privileged content;
using said key to identify said second account; and
transferring the royalty amount from said first account to said second
30 account.

27. (New) A method of using a merchantable content, comprising the steps of:
receiving the merchantable content over a network;
retrieving a first identifier from a medium that references the medium;
using said merchantable content with said medium wherein the payment of
5 a royalty amount is incurred by the use of the merchantable content;
retrieving a key from said merchantable content; and
transmitting said key and said first identifier to a clearinghouse over the
network wherein the royalty amount is transferred from a first account referenced
by said first identifier to a second account referenced by said key.

10 28. (New) The method of claim 27 further comprising the steps of:
determining that a valid first identifier is received; and
if not received, then preventing the step of using said merchantable
content.

15 29. (New) A method of using merchantable content having a key, comprising
the steps of:
purchasing medium having a first identifier, wherein the purchase price
includes a pre-payment amount;
20 retrieving the merchantable content over a network; and
using the merchantable content with the medium wherein a royalty
payment is incurred, and wherein the use of the merchantable content causes the
transmission of the key and the first identifier over the network to a clearinghouse
where the royalty payment is transferred from a first account referenced by the
25 first identifier to a second account reference by the key.